

Statement of Considerations

REQUEST BY ASEC MANUFACTURING COMPANY FOR AN
ADVANCE WAIVER OF DOMESTIC AND FOREIGN RIGHTS
IN SUBJECT INVENTIONS MADE IN THE COURSE OF
OR UNDER DEPARTMENT OF ENERGY CONTRACT NO.
DE-AC05-84OR21400; SUBCONTRACT NO. 85X-
ST800C; DOE WAIVER DOCKET W(A)96-014; [ORO-
633]

ASEC Manufacturing Company (ASEC) has made a timely request for an advance waiver to worldwide rights in Subject Inventions made in the course of or under Department of Energy (DOE) Contract No. DE-AC05-84OR21400; Subcontract No. 85X-ST800C. The scope of the work calls for the development of emission control catalysts and to supply catalyst components to Detroit Diesel Corporation (DDC) for use in the work under the subcontract. The work is sponsored by the Office of Transportation Technologies.

ASEC is a joint venture between AlliedSignal Environmental Catalysts, Inc. and General Motors Corp. (GM), and is the seller under a purchase order subsubcontract, No. 6207, (subsubcontract) from DDC for preparing and testing catalysts and providing promising catalysts to DDC for engine evaluation testing.

The dollar amount of the subsubcontract is \$733,648 with ASEC cost sharing 50% of the subsubcontract.

AlliedSignal Environmental Catalysts was originally a division of AlliedSignal, Inc., but was spun off and joined with GM to form a Delaware partnership, ASEC. AlliedSignal Environmental Catalysts provides the technical expertise and GM provides the financing.

The partnership brings to the subsubcontract the technical competence of AlliedSignal Environmental Catalysts, which has been involved in the pollution control and elimination market for over 35 years. The company has been manufacturing catalysts worldwide since 1973 and is a leader in the manufacture of emission control catalysts, with a significant emphasis on the automotive industry.

ASEC manufactures and sells porous, high temperature ceramic and metallic components that have been heated and coated with catalytically active materials that function to oxidize the hydrocarbon and carbon monoxide components of motor vehicle exhaust and reduce the nitrogen oxide components of such exhausts. Therefore, ASEC's experience and expertise will contribute substantially to the development and commercialization of the inventions made under the subsubcontract.

ASEC and its predecessor, AlliedSignal, have invested substantial financial and technical resources to establish a presence in the commercial market. For example, it built a catalyst manufacturing plant in Tulsa, Oklahoma in 1973 and since then has built three more plants to serve its international market. It is also paying 50% of the cost of this subsubcontract.

The subsubcontract has been executed and is proceeding with the standard DOE Patent Rights - Long Form clause. If the requested waiver is approved, the Patent Rights - Long Form clause will be replaced by the Advance Patent Waiver Terms and Conditions clause as a no-cost modification to the subsubcontract. Petitioner has approved the Advance Patent Waiver Terms and Conditions, including march-in rights, the granting of licenses to background patents necessary for practicing subject inventions, retention by the government of a license, preference for U.S. industry, and U.S. Competitiveness clauses. The advance patent waiver will also contain a paragraph that limits ASEC's ability to alienate waived rights. Specifically, ASEC shall not transfer rights in any invention without prior approval of DOE. Also, should there be a change in ownership of ASEC, rights in inventions will be suspended until approval by DOE of the entity obtaining controlling interest having the waiver.

ASEC agrees that any product, process or service used or sold by ASEC or its affiliates embodying subject inventions must be manufactured, practiced or provided substantially in the United States, and further, any license or other transfer in rights of a subject invention to third parties must be approved by DOE prior to any such transfer.

Granting of the waiver should have little effect on competition since there are several technology options, this being one of many previously or yet-to-be developed in the marketplace, therefore there should not be undue market concentration of ASEC products.

Grant of the requested waiver should serve as encouragement to other DOE contractors that significant cost sharing will be recognized as an acceptable consideration for granting greater rights in Subject Inventions.

In view of the acceptable level of cost sharing by ASEC and the objectives and considerations set forth in 10 CFR 784, all of which have been considered, it is recommended that the requested waiver for worldwide rights be granted.



Katherine Lovingood
Senior Patent Attorney

Based on the foregoing Statement of Considerations and the representations in the attached Waiver Petition, it is determined that the interest of the United States and the general public will best be served by a waiver of U.S. and foreign patent rights, and therefore, the waiver is granted. This waiver shall not apply to a modification or extension of the cost-shared subsubcontract where, through such a modification or extension, the purpose, scope or cost of the subsubcontract has been substantially altered.

CONCURRENCE:



Thomas J. Gross
Deputy Assistant Secretary for
Transportation Technologies

Date: 1/9/97

APPROVAL:



Paul A. Gotfrieb
Assistant General Counsel for
Technology Transfer and
Intellectual Property

Date: 1-10-97

WAIVER ACTION ABSTRACT

REQUESTOR

ASEC Manufacturing
Company

CONTRACT SCOPE OF WORK

The development of
emission control catalysts
and to supply catalyst
components to Detroit
Diesel Corporation for use
under DOE's Diesel
Emissions Program.

RATIONALE FOR DECISION

Petitioner is paying 50% of
the cost of the ^{sub}contract, the
technology is directed at
automotive emission reduction,
and commercialization would be
unlikely if the waiver were
not granted.

DISPOSITION

Recommend Approval